Information Technology Authorization Committee
Wednesday, March 16, 2001
9:00a.m. - Noon
ASU Downtown Center, Building C 340-350

Minutes

Present

Dr. Linda Blessing	Board of Regents
Dave Byers	Supreme Court
John Jacobs	Private Industry
Dr. Bill Lewis	Public Sector
Laraine Rodgers	Private Industry
Peter Woog	Private Industry
Rick Zelznak	Government Information Technology Agency

Absent:

Tom Betlach	Office of Strategic Planning & Budgeting
Phyllis Biedess	Dept. of Revenue
Albert Crawford, Jr.	Private Industry
Dr. Michael Gentry	Federal Government
Senator Dean Martin	State Senator
Danny Murphy	Local Government
Representative Roberta Voss	State Representative

Call to Order at 9:00 a.m. by Chairman Rick Zelznak.

Director's Report   **Exhibit 1**

September Meeting Minutes   **Exhibit 2**

Motion by Dr. Blessing to approve the September meeting minutes;
Second by Dave Byers;
Motion approved.

Project Approval
Department of Economic Security
- **Health Insurance Portability and Accountability Act**   **Exhibit 3**
  Implementation (HIPAA)

Frank Somers, Government Information Technology Agency Oversight Manager
DES Presenters: Mike Koppelman, Bob Buse

Laraine Rodgers In terms of the project management, who is the new project manager now?

Bob Buse People within the agency are dealing with that. I'm on the committee dealing with specific issues, as well as other DES personnel and we are working in conjunction with them to formulate a strategy to deal with the implementation.

Laraine Rodgers Do you have a date to construct the project management team?

Bob Buse Not yet. A comment made relative to the potential of ASSIST replacement system which was approved at the last ITAC meeting, if funding is cut for that project, it would have a major impact on our ability to deal with the implementation. ASSIST is (inaudible) facilities is one of our primary medical tracking systems in terms of delivery system. We were counting on the ability to replace that system in order to achieve (inaudible). ASSIST system be justified (inaudible) very old system made to transfer technology in the State of Utah many years ago, no longer meets the business process used in the program, let alone attempting to take that system and adapt it. The loss of that project would be a real setback.

John Jacobs I saw the deadline the government has proposed on that, are there penalties?

Bob Buse There are penalties, we have to achieve compliance to the standards. There are two sets of issues: the confidentiality issues which are quite large; the other deals with the internal system processes on standardizing the service codes for medical services across the country, as well as changing the output format with electronic format. A lot of it is policy and procedure processes of the program, but the IT component is definable, particularly associated with the transactions. Traditionally we don't audit inquiries, so for DES and AHCCCS and this particular regulation calls for you to capture all inquiries to data.

Laraine Rodgers It's my understanding this is as large as Y2K in some cases. In terms of the additional roles still pending final approval, is there any information if they will be available?

Bob Buse We still haven't seen some of finals on that and there are efforts to delay the implementation based on some of the confidentiality and security issues are being recommended to be delayed. We still have finite details on how it will come together.

Laraine Rodgers You mentioned ASSIST as one of the systems that if there were anything cut, is there a schematic or diagram showing the inter-relationship of all of the systems affected by the changes? One concern I have is if the changes come later, is there going to be enough time for integrated testing by the state with the impact? You can't have too many mistakes; it would be totally unacceptable.

Bob Buse The overall strategy is all our systems end up feeding AHCCCS. AHCCCS has consulting personnel performing a gap analysis in relationship to the changes that will have to be made. We are provider information and service provider to AHCCCS on our CODP program, RDD program and our AZTEC system. All those systems are impacted and until we get a determination on

AHCCCS on how they will be impacted, then we'll know what we have to do from an interface perspective because all those feed AHCCCS. Our CHILDS system also captures medical records on clients, which is also potentially impacted by HIPAA implementation. All systems must interface with each other and back to AHCCCS.

Laraine Rodgers	Has every system that would have a HIPAA impact been assessed and perhaps that's not within your purview?

Bob Buse	All those are my responsibility of a CIO perspective.

Dr. Blessing The numbers on ASSIST changes and total cost, how much is Federal participation?

Bob Buse	I think there is about $10M-$12M we have in and I don't remember the funding distribution ratio state and federal.

Frank Somers	It was a little over 50.

Dr. Blessing The Feds already approved the plan?

Bob Buse	Yes.

Rick Zelznak	Back to timeframes, my understanding is the National Governors' Association is taking a different position and indicated to Congress that the implementation timeframes right now for the privacy requirements, EDI requirements are all staggered with another being much further out than the October 2002 date which we're shooting for at this point. The NGA is pushing to have those aligned with some of the later dates to get more time added, which would be beneficial. From the private to public sector, if you look at the flow, the public sector is much further along than all the health plans in implementing this and organizing around it.

John Jacobs	These issues come into focus of Y2K again and also have been surprising because it didn't get a lot of publicity, the impact, kind of sneaking up

Rick Zelznak	This is something that goes beyond automated systems as well and we were looking at the privacy rules and regulations. The electronic piece of that is extremely small. The privacy rules and regs that surround HIPAA go to all of the printed out documentation, anything sitting in a file that is not in electronic format. It won't be solved by the group sitting at this table; it's going to be much broader. This is definitely the smaller one of two.

Laraine Rodgers	Is there one person responsible for all aspects of it, paper as well as the electronic, integrating all those efforts?

Rick Zelznak	I don't think it's been formally designated but there is an individual in the Governor's Office who oversees all the health agencies as the Policy Advisor and she is the point person.

Dr. Lewis	If the ASSIST budget does not materialize, we should request an impact statement from DES as to what this will do and how what DES will achieve HIPAA compliance and I would suggest that might be one of the conditions added to this. Sometimes the penalties aren't so severe that maybe you just have to add the penalties. We need to look at what those penalties are particularly under the guise of maybe the ASSIST failure as to maybe we have to realize there will be penalties and hopefully work to get these dates pushed out in the future.

Dr. Blessing There are important reasons the department needs the ASSIST project, not just HIPAA.

Rick Zelznak Let me paraphrase your potential motion: DES provides fiscal impact or some type of impact if ASSIST is not funded. How would that affect what has been presented here in the PIJ? That's not in official language in terms of the motion but is kind of what you …, ok.

Dr. Blessing I just worry that's a small piece of the picture and if ASSIST is on the chopping block, they also ought to characterize any issues with reimbursements for Medicaid dollars in the program and other foregone benefits of the project.

John Jacobs How does the Legislature decide what to cut; do they get any input from Government Information Technology Agency or anyone else that has a better overview of this whole state? Is it an arbitrary thing?

Rick Zelznak It's a little bit of both. We can justify and say this is a key-type issue, here are the implications and I think we can communicate with the executive offices a little more on factual basis. I think they will take that into account. When it goes over to the Legislative realm and they have to decide on priorities and limited resources, then a lot of other things come into play. We can make our point and part of Government Information Technology Agency's responsibility is to advocate for funding projects and we need to be out there and raising the issue, as this should be a priority.

Peter Woog On the standardizing of data formats, is that going to be a national standard?

Bob Buse A national standard.

Peter Woog What will you do to communicate the timetable for this and how it's going to work to all the carriers, the healthcare providers, etc., so they can do their system planning concurrently with what we're doing here and we can all be ready at the same time?

Bob Buse A lot of the private sector providers are already gearing up and their provisions in HIPAA that really do not mandate that providers change how they report. If they're reporting on paper today, they can continue using their existing code structure. Only if they get into an electronic record transmission process do they have to comply with the format. Some of the strategy is trying to leave existing systems in place to some degree and deal with the translation vehicle to electronically reformat output into the new HIPAA compliant record structure. They also discussed potential of having translation clearinghouse processes and procedures in place so older structure formats can be converted into new HIPAA format. There's a lot of "ins and outs" in this legislation which makes it very difficult to fully assess into; AJCCCS gets their evaluation done and I think they're very close to having that gap analysis completed. It would be advantageous for all parties to go to the electronic approach.

Motion by John Jacobs to approve;
Second by Dr. Lewis
Motion approved.

Frank Somers, Government Information Technology Agency Oversight Manager
DES Presenters: Bob Buse, Vince Wood

Dr. Blessing In the past, we haven't always seen the perspective clients present themselves when we made estimates like this and not always presented themselves for service and we wound up missing the bulk of some of the estimated population growth. How was this population estimated and your confidence level that these numbers are really accurate to begin with?
Vince Wood The population numbers were estimated by AHCCCS. DES did work closely with AHCCCS. DES provides service already to residents who do not have medical insurance, i.e., food stamp program. They are receiving food stamps today but are not eligible for medical insurance. Under Prop 204, Arizona will be able to extend health insurance to these individuals. One of the things DES and AHCCCS are doing is identifying all the people DES already knows about and sending out a flyer, making it easy to enroll, only have to sign up.
Dr. Blessing It is different than the prior extensions of the program, you already know these people, and they are part of the system by and large?
Vince Wood A good number of them.
Laraine Rodgers   When we talk about the project team and better service, the computer process re-engineering study addressing all operational aspects of the executive programs – might that not result in changes in workflow and perhaps realignment of staffing or tapping down? Isn't that something we find out after one did that?
Vince Wood It could. Obviously though we have some tight timeframes to do right now. We're moving forward, AHCCCS and DES, trying to streamline the eligibility, working with the Federal agency, Healthcare Financing Administration who has to approve our state plan. There may be things after the fact that we're able to re-engineer and further streamline. What's different for DES regarding this project is we'll have other stakeholders involved with the department not to the hospitals.
Laraine Rodgers   Are the food stamps physical stamps or is it on a card where it can be used?
Vince Wood Arizona did convert to a card to some poor folks food stamps for financial assistance.
Laraine Rodgers   This is all electronic?
Vince Wood   The medical is different than food stamps. We know people who are eligible for food stamps and they receive a debit card. With the medical program DES determines eligibility but AHCCS enrolls people and provides people with health insurance card not the same as food stamps card.
Rick Zelznak   Under this, DES will be taking over some program eligibility from the counties. I would assume a large number of FTE would be migrating over. To what extent did you look at assets that are contained within the county

in terms of IT assets that would be transferred over as well? In reading this, we're looking at new PCs, servers, networks for the staff coming over. Can you talk about your assumptions?

Vince Wood They are in the process of doing assessments, a meeting is scheduled next week with Maricopa County, have had initial conversations with Pima County and we are beginning talks with the balance of state. There is legislation being developed right now, would indicate the county assets would transfer to the state.

Bob Buse   Then they don't have to deal with the issues of compatibility and interfacing them for our existing IT environment.

Laraine Rodgers   There would be a transfer of human assets (inaudible) and a funding decrease in budget.

Vince Wood Absolutely, the Legislature does deal with the staffing and the assets. I can tell you that the counties have no automation with regard to medical assistance. Maricopa County has limited, can track amount of applications they receive. Eligibility is done manually and when determined, they phone AHCCCS and AHCCCS keys into their computer.

Motion by Dr. Lewis to approve;
Second by Laraine Rodgers
Motion approved.

Arizona Health Care Cost Containment System
 - **Prop. 204**   **Exhibit 5**

Frank Somers, Government Information Technology Agency Oversight Manager
AHCCCS Presenters: Branch McNeal, Terri Greene, Bruce Hensley

Dave Byers The state will have 1,000 employees between you and DES? And we have a hiring freeze on?

Branch McNeal   The hiring freeze is General Fund, this is tobacco money. The counties currently employ 800 individuals just to work in my eligibility now, which is only 70,000 people and we're talking 185,000 new members that will be coming on. The other thing about bringing employees on is counties currently staff 100 percent using county funds to pay for those positions. All of this will be Federally funded so (inaudible).

Dave Byers The counties are getting a savings?

Branch McNeal   Depending on how the Legislature goes. We've identified over $30M in total funds, which involve the actual employees and, systems they use to determine eligibility along with the rest of the counties' healthcare responsibilities or liabilities.

Dave Byers What's your PC vendor?

Bruce Hensley   We buy off state contract.

Laraine Rodgers   Who is the overall project manager? There's an applications project and infrastructure project manager and a variety of other people.

Branch McNeal   The one person accountable for putting 204 together is me. I am the agency project coordinator for Prop 204. We have a full project master plan, from there we have separate plans by the separate subgroups to tie into that. We take the medium- to high-level pieces from the subgroups and roll them up into the master plan.

Motion by Dave Byers to approve;
Second by Dr. Lewis;
Motion approved.

Dr. Blessing abstained; spouse is employed in the AHCCCS IT.

PIJ Status Report   **Exhibit 6**
No discussion

Monthly Project Monitoring Report   **Exhibit 7**
Rick Zelznak   For upcoming meetings, I would like to get more in-depth on some projects that have already gone through ITAC and focus a little more on the monitoring process. We have 27 active projects over $5M at this point and need to come back to ITAC from a monitoring perspective so you understand where we are in terms of benchmarks and progress on those.

Other Business
  ● **Future Agenda Items**

Motion by Peter Woog to adjourn the meeting.
Second by Dr. Lewis;
Meeting adjourned.